

SECRET

SAPC-16385
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6 June 1957

MEMORANDUM FOR: Project Comptroller

SUBJECT : Unilateral Decision by Lockheed Aircraft Corporation
re: Days of Work at [REDACTED] Edwards Air Force
Base, May 1957

25X1A

25X1A REFERENCE : A. [REDACTED] 0626 (OUT 64683)
B. [REDACTED] 2821 (IN 20113)

1. In connection with the matter identified in the subject of this memorandum, [REDACTED] instructed me to draft the cable identified as Reference A, in which the Project officially asked IAC if the action of [REDACTED] in refusing to return his personnel to [REDACTED] on the afternoon of 28 May 1957, when that installation was ready for reoccupancy after the shutdown, had Lockheed sanction and backing.

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2. It was [REDACTED] proposal that if Lockheed answered in the affirmative, as they did in Reference B, that this cable exchange should be transmitted to you for retention until the audit of IAC records for this period came before us. He suggested that since this action was not previously approved by Project Headquarters, and since it had the effect of disrupting the training and testing program, Lockheed not be permitted to have any personal service charges at [REDACTED] for the days in question honored as a recognizable charge under our contract with them.

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3. It has been determined that the recall notice to [REDACTED] was passed from [REDACTED] at Burbank for relay to IAC shortly before noon on 28 May. The shuttle returning Project personnel to [REDACTED] departed Burbank Terminal at 1400 hours that date, arriving [REDACTED] two hours later. No one from IAC was on it, based on [REDACTED] decision that he did not wish to return his personnel until 3 June 1957.

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4. Our agreed arrangement with Lockheed, and with all the suppliers, was that they would return to the [REDACTED] on three-hour notice, and that all time spent away from [REDACTED] as a result of evacuation for the initial [REDACTED] was to be "forgiven" in the sense that no one would be penalized by loss of pay and benefits for the shutdown. Accordingly, this arrangement was in effect from the evacuation time, 1500 hours on 15 May 1957 to the re-entry time, 1600 hours, 28 May. Lockheed absented themselves from that time through COB 31 May 1957. However, 30 May 1957 being Memorial Day, and a recognizable holiday, they should not be docked for that particular time.

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5. As further background, it should be noted that some eighteen LAC people were working at EAFB during the shutdown at [REDACTED] but that again, [REDACTED] laid them off "voluntarily" for 31 May 1957, ostensibly in an LWOP status. This decision did not have prior headquarters approval, but if no charges are lodged against us for that day, I doubt that we can carry that matter any further. However, it would be well to check to see that the LWOP on that date was indeed the status claimed for their personnel at EAFB.

25X1A

[REDACTED]
JAMES A. CUMMINGS, JR.
Project Director of Administration
PCS/DCI

JAC/slh

Distribution:

- 25X1A
25X1A
- ✓ 1 & 2 - Addressee
 - 3 - Mr. Bissell
 - 4 - [REDACTED]
 - 5 - Contracting
 - 6 - [REDACTED]
 - 7 - Admin
 - 8 - RI

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TRANSMITTAL SLIP		DATE <u>June 7</u>
TO: <u>25X1A</u>		
ROOM NO.	BUILDING	
REMARKS:		
<p>I agree with your comments on the attached yellow slip but I wonder if cutting IAC out from 5/28 to 6/3/57 may not be partially academic since they do not normally incur charges during a legal holiday, Saturday and Sunday. However, I might note that there may be charges for the hauling of aircraft or for the guard services at Edwards which we would have to honor regardless of the status of the IAC working force simply since these services are provided on a round-the-calendar basis.</p>		
FROM: <u>JAMES A. CUNNINGHAM, JR.</u>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	SECRET	
CENTRAL INTELLIGENCE AGENCY			
25X1A OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1	Mr. Cunningham	<i>[Signature]</i>	6/7/57
2	<u>[Redacted]</u>		
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
REMARKS: <i>In my opinion IAC should be cut out from the time of default (5/28/57) until they got their people back under contract terms (6/3/57). Further we now have been Educated and next time we should qualify our acceptance of "standby pay" to insure full compliance with the contract or make the entire time off an expense of the contractor. The contracting officer has been asked to instruct the auditor to set aside any costs accrued under the contract that are not reasonable in light of the happenings.</i>			
FOLD HERE TO RETURN TO SENDER			
FROM	NAME	ADDRESS AND PHONE NO.	DATE
		<u>[Redacted]</u>	
UNCLASSIFIED			
SECRET			